

C O D E O F F E D E R A L R E G U L A T I O N S

PART II

D E P A R T M E N T O F D E F E N S E

Department of the Army

32 CFR Part 619

**Program for Qualifying DOD Freight
Motor Carriers, Exempt Surface Freight
Forwarders, and Shippers Agents.**

Revised as of 1 July 1995

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AUTHORITY: 49 U.S.C. 1801-1813, 2503, 2505 and 2509.

SOURCE: 58 FR 44405, Aug 20, 1993, unless otherwise noted.

§619.1 INTRODUCTION.

Carriers, surface freight forwarders, shipper agents, and air freight forwarders interested in or remaining qualified will submit data described in §619.2 through §619.6 to the appropriate area command (Bayonne, New Jersey or Oakland, California) based on the location of the carrier's headquarters. The area command

will schedule a meeting with the carrier, if necessary, to clarify any qualification elements and also receive guidance on how to do business with the Department of Defense. The area command will then evaluate the date to determine whether the carrier has the equipment, facilities, personnel and finances necessary to handle the carrier's proposed scope of operations. The area commands will then forward the application to HQMTMC for approval. If the carrier is approved and signs the agreement HQMTMC will then accept (or in the case of existing carriers, continue to accept) tenders, tariffs or similar rate submissions. Carriers that are disapproved will be notified of the decision and said carrier may reapply for approval once the problems have been corrected.

§619.2 SAFETY RATINGS.

- (a) Carrier will not have an "unsatisfactory" rating with the Federal Highway Administration, Department of Transportation and, if it is an Intrastate Motor Carrier, with the appropriate state agency.
- (b) Carriers with "conditional" or "insufficient information" ratings may be used to transport DOD general commodities provided that such carriers certify, in writing, that they are now in full compliance with Department of Transportation safety requirements.
- (c) Carriers transporting hazardous, secret materials or sensitive weapons and munitions, or any shipment, regardless of commodity, which required a Transportation Protective Service (TPS) will not be used if the safety rating is less than satisfactory.

§619.3 OPERATING AUTHORITIES.

Carriers will submit copies of all certificates authorizing operations as a common carrier (interstate and intrastate) needed to transport DOD traffic.

§619.4 INSURANCE—PUBLIC LIABILITY AND CARGO.

- (a) Public liability. Motor carriers, surface freight forwarders, shipper agents, and air freight forwarders will submit proof of public liability insurance to MTMC on a certificate of insurance form issued by the insurance company. Expiration dates will not be reflected on the certificate, the policy must be continuous until canceled. However, the deductible portion will be shown on the certificate. The insurance underwriters must be rated in Best's Insurance Guide, or listed in the Fiscal Service Treasury Circular 570, listing of surety companies. The certificate holder block of the form will indicate that HQMTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTOP-QQ, will be notified, in writing, 30 days in advance of any change or cancellation. The public liability requirements are specified in 49 CFR 387.9. Surface freight forwarders and shipper agents will submit proof of \$1 million public liability (death and bodily injury, property damage, and environment restoration).
- (b) Cargo. Motor common carriers, surface freight forwarders, shipper agents, and air freight forwarders must have their insurance company provide proof of cargo insurance to MTMC on a certificate of insurance form. The deductible portion will be shown on the certificate. The insurance underwriter must have a policy holder's rating in the Best's Insurance Guide listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety Companies or specifically approved by HQMTMC. DOD's minimum cargo insurance requirements are as listed below:
 - (1) Motor common carriers, including classes A and B explosives, but excluding perishables and bulk fuel—\$150,000 per shipment.
 - (2) Automobile transporters or carriers which move vehicles in haul-away/driveaway service—\$20,000, per vehicle transported.
 - (3) Perishable carriers—\$80,000 per shipment.
 - (4) Bulk fuel—\$25,000 per shipment.
 - (5) Surface freight forwarders, shipper agents, and air freight forwarders—\$250,000 per shipment.

§619.5 FINANCIAL RECORDS.

(a) Motor carriers must furnish financial statements certified by the company Chief Executive Officer, President or Owner. These financial statements must include company certified balance sheets and income statements for the last 3 taxable years. Motor carriers in existence less than 3 years, but more than 12 months, must provide company certified copies of all balance sheets and income statements from the date business was commenced. Carriers in business less than 12 months must provide a company certified balance sheet showing all assets and liabilities. Motor carriers must furnish financial data at MTMC's discretion when considered necessary to assure satisfactory performance and avoidance of motor carrier financial problems. The financial data includes, but is not limited to the following:

- (1) Company certified financial statements.
- (2) CPA review (including footnotes of financial statements).
- (3) CPA audit and opinion (including footnotes) of financial statements.
- (4) Financial statements must reflect a 1 to 1 ratio (liquid assets—current liabilities)

(b) All carriers must also state the extent of their financial interests in other transportation companies to include:

- (1) Majority or minority ownership.
- (2) Familial relationships
- (3) Voting of securities.
- (4) Common directors, officers and/or stockholders.
- (5) Voting trusts.
- (6) Holding trusts.
- (7) Associated companies.
- (8) Contract or department relationships.

(c) This information will be used to determine if common financial and administrative control exists with other companies, or if individuals or associated companies are affiliated with those who have been debarred by the Government.

§619.6 INFORMATION.

Motor carriers, surface freight forwarders, shipper agents, and air freight forwarders will provide HQMTMC the following information:

- (a) A listing of the company's officers with their title.
- (b) A listing of the company's owners and the percentage of ownership of each.
- (c) Company background and history including the year the company was formed.
- (d) A list, by type and quantity, of all owned and/or leased equipment. MTMC will not approve any Motor carrier that does not own and/or have permanent leases for equipment.
- (e) The number of personnel employed, to include company drivers and number of drivers under lease. A motor carrier must be able to show it has a minimum personnel force in order to operate effectively.
- (f) A list of terminal locations including the street address and telephone numbers, and descriptions of the terminal facilities.
- (g) Three reference letters from shippers served during the previous 12 months.
- (h) Proposed services by type of service, traffic lane, or geographic area. MTMC will review equipment inventories and permanent lease agreements in relationship to proposed service. (In those instances where a carrier's equipment inventory indicates they cannot provide the proposed service.) MTMC will request a meeting with the carrier to review proposed service.
- (i) Copies of driver hiring, screening, and training procedures.
- (j) Disadvantaged (minority) and women-owned business certificate (if applicable).
- (k) In addition to information contained in paragraphs (a) through (h) and (j) of this section, exempt surface freight forwarders, shipper agents, and air freight forwarders must furnish a listing of carriers which they have a contract with and intend to use in the movement of government shipments. Information must include the company names, company credentials to include their position and their home office address, telephone numbers, 24-hour emergency point of contact, and an operating authority number for each carrier.

§619.7 PERFORMANCE BOND.

(a) Motor Carriers.

(1) Carriers having done business in their own name with DOD for 3 years or more will be required to submit a Performance Bond in the amount of 2.5 % of their total DOD revenue, taken from the freight DOD revenue, taken from the freight Information System Report (FINS), for the previous 12 months, not to exceed \$100,000 and not less than \$25,000.

(2) New carriers and those carriers having done business in their own name with the DOD for less than 3 years will be required to submit a Performance Bond based on areas of service they offer (computed as both origins and destinations served), that is I-state (including intrastate)—\$25,000, 2 to 3 states—\$50,000, and 4 or more states— \$100,000.

(3) Once a carrier has been doing business with the DOD for 3 years, their bond requirement will change from area of service to percent revenue.

(b) Bulk fuel carriers and perishable carriers will be required to submit a \$25,000 Performance Bond.

(c) Local drayage and commercial zone carriers are exempt from the bond requirement.

(d) surface freight forwarders, shipper agents, and air freight forwarders. Due to the volume of traffic handled by these modes and the area normally serviced, the bond amount is set at \$100,000.

(e) All carriers must submit a letter of intent to file a bond from a surety company with initial application. Upon HQMTMC approval, carriers will provide HQMTMC with a Performance Bond. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department, Circular No. 570. The sum of the bond shall be as determined by §619.7 (a) through (c). The bond must be continuous until canceled. HQMTMC will be notified, in writing, 30 days in advance of any change or cancellation. The Performance Bond secures performance and fulfillment of carrier obligations to deliver DOD freight. It will cover any instance where a carrier cannot or will not deliver DOD freight, tendered to them, to final destination. This includes default, abandoned shipments, and bankruptcy by the carrier. The bond will not be utilized for operational problems such as late pickup or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo.

§619.8 BASIC AGREEMENT.

Motor carriers, surface freight forwarders, shipper agents, and air freight forwarders meeting the qualification requirements of §619.1 through §619.7 will be required to sign the appropriate Basic Agreement in the appendices to this part.

APPENDIX A TO PART 619

BASIC AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND MOTOR COMMON CARRIERS FOR APPROVAL TO TRANSPORT GENERAL COMMODITIES OR THE DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of _____ (Name of Company, Typed or Legibly Printed), (hereinafter called the carrier), as a prerequisite for approval to transport general commodities for the account of the Department of Defense (DOD) and the Military Traffic Management Command (MTMC), (hereinafter called the Government), agree to comply with all additional requirements, terms and conditions as set forth in this Agreement. This Agreement governs the transportation of all DOD general commodity freight administered by MTMC, except used household goods. Noncompliance by the carrier with any provision of this Agreement may result in MTMC taking action against the carrier under the Carrier Performance Program governed by MTMC Regulation 15-1, and revoking approval to participate in this traffic. If the carrier's approval is revoked, the carrier may be disqualified from further participation in any DOD freight traffic.

2. Approval and Revocation.

a. Carrier understands that its initial approval and retention of approval are contingent upon establishing and maintaining to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.

b. The carrier understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification. The carrier further understands that it is not authorized to submit tenders for shipments requiring a Transportation Protective Service (TPS) until it has served DOD in an approved status for 12 continuous months. Prior to being allowed to handle shipments which require a TPS or Class A and B explosives, the carrier must first meet any additional requirements in effect at the time.

c. In addition to the initial evaluation, the carrier agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.

d. The carrier certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC General Freight Board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance.

a. Carrier agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations governing the safe, proper, and lawful operation of motor vehicles, to include Title 49 Code of Federal Regulations (CFR) 386-397. Intrastate carriers are required to comply with all applicable state or federal regulations, whichever are more stringent.

b. No fines, charges, or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to or be paid by any agency of the Federal Government.

4. Operating Authority. Carrier agrees to maintain valid motor common carrier operating certificates for its scope of operations. Any carrier found to be involved in brokerage, as defined by the Interstate Commerce Commission (ICC), of DOD freight traffic will have its approval revoked.

5. Insurance.

a. Minimum public liability insurance requirements are prescribed in title 49 of the Code of Federal Regulations (CFR) 5387.9. Carrier agrees to ensure that the ICC is provided proof of their public liability insurance, in the form of a BMC 91 or 91-X, or MCS 90, in accordance with sections 29 and 30 of the Motor Carrier Act of 1980. Further, the motor carrier agrees to provide MTMC with a certificate of insurance form. The certificate holder block of the form will indicate that MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTOP-QQ, will be notified in writing, 30 days in advance of any change or cancellation. The deductible portion will be shown on the certificate. The insurance underwriter must have a policy holder's rating in the Best's Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of surety companies. Public liability insurance Interstate Carriers.

(1) The carrier agrees to also file with MTMC proof of: \$750,000 per vehicle for property, excluding hazardous, and \$1,000,000 per vehicle for oil, hazardous wastes, hazardous materials and hazardous substances defined in 49 CFR 5171.8 and listed in 49 CFR 5172.101.

(2) Public liability insurance Intrastate Carriers—Public Liability Insurance shall be that as required by the state, except that for deregulated states, public liability shall be the same as that required of interstate carriers.

(3) Cargo insurance. Cargo insurance in the minimum of \$150,000 for loss and damage of government freight per vehicle and/or \$20,000 per vehicle transported (e.g., automobile transporters or vehicles in haulaway service) must be maintained. Perishable carriers will maintain, as a minimum, cargo insurance in the amount of \$80,000 and bulk petroleum carriers will maintain \$25,000.

b. The insurance, carried in the name of the carrier, will be in force at all times while this agreement is in effect or until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer notify MTMC, ATTN: MTOP-QQ, prior to any changes, renewals, and cancellation notices. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.

6. Performance Bond.

a. Carrier agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the carrier obligation to deliver DOD freight to destination. It will cover DOD re-procurement costs as a result of carrier default, abandoned shipments, or bankruptcy. The bond will not be utilized for operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The bond must be completed on the form provided by MTMC. The bond will be continuous until canceled. MTMC will be notified in writing, 30 days in advance of any change or cancellation. A letter of intent, by the surety company, is required with

the initial application package. Upon MTMC approval, the carrier agrees to submit the Performance Bond before the Tender of Service will be accepted.

b. The sum of the bond will be determined as follows: (1) Carriers having done business in their own name with DOD for 3 years or more will be required to submit a Performance Bond in the amount of 2.5 percent of their total DOD revenue, taken from the Freight Information Systems Report (FINS), for the previous 12-months, not to exceed \$100,000 and not less than \$25,000.

(2) New carriers and those carriers having done business in their own name with the DOD for less than 3 years will be required to submit a Performance Bond based on areas of service they offer. Areas of service will be computed as both origins and destinations served.

1 state (including intrastate)—\$25,000;

2 to 3 states—\$50,000; and

4 or more states—\$100,000.

(3) Once a carrier has been doing business with the DOD for 3 years, their bond requirement will change from area of service to percent revenue.

c. Bulk fuel carriers and Perishable carriers will be required to submit a \$25,000 Performance Bond.

d. Local drayage and commercial zone carriers are exempt from the bond requirement.

e. If carrier has secured the Performance Bond as a result of qualifying under Ammunition and Explosive, classes A and B program or hazardous materials (other than ammunition and explosive, classes A and B) program no additional Performance Bond is required.

7. Safety.

a. Carrier will not have an "unsatisfactory" safety rating with the Federal Highway Administration, Department of Transportation, and, if it is an intrastate Motor carrier, with the appropriate state agency. The carrier further agrees to permit unannounced safety inspections of its facilities, terminals, equipment, employees, and procedures by DOD civilian, military personnel, or DOD contract employees. The inspection may include in-transit surveillance of vehicles and drivers. The carrier agrees to provide evidence that fulfills the requirement set forth in 49 CFR Parts 390 through 396. Inspection of carrier equipment, drivers' records, route plans and inspection reports will be permitted during both the pickup and delivery of shipments and in coordination with local police or other authorities while in transit. Carrier also agrees to allow inspection of carrier records and individual driver qualification files. When requested, carrier agrees to provide adequate evidence of an active driver safety, security training and evaluation program. Upon request, the carrier agrees to furnish sufficient information to permit MTMC to verify or inspect carrier and driver records.

b. The carrier agrees to have in place a company-wide safety management program. Carrier safety program will comply with applicable Federal, State and local statutes or requirements. Safety programs at the company-wide or terminal level may be subject to evaluation by DOD representatives.

c. The carrier agrees to notify, within 24-hours, the consignor and consignee named by the Government Bill of Lading (GBL) or Commercial Bill of Lading (CBL) of cargo loss, damage, or unusual delay. Information reported will include origin/destination, GBL number, shipping paper information, time and place of occurrence, and other pertinent accident details. When requested, carrier agrees to furnish MTMC a copy of accident reports submitted to the Department of Transportation of Form MCS 50-T (Property).

8. Drivers Requirement.

a. The carrier agrees to ensure that any driver used by the carrier to transport DOD freight possesses a valid commercial driver's license (in compliance with Federal Commercial Motor Vehicle Safety Act of 1986) issued by his or her state of domicile. Drivers must have, at a minimum, 1-year of driving experience driving equipment similar to that used to transport DOD freight, or have proof of graduation from an accredited trade truck Motor driving school, operating the aforementioned equipment.

b. The carrier agrees to further ensure that driver carry a company picture identification card to verify affiliation with the carrier named on the Government Bill of Lading.

9. Equipment. The carrier is prohibited from using trip-leased equipment or drivers, except upon prior approval from MTMC. Leases of less than 30-days are considered trip-leases.

10. Shipment. The carrier agrees to provide, at no additional cost to the government, the status of any shipment within 24-hours after an inquiry is made. Further, the carrier agrees to not divulge any information to unauthorized persons concerning the nature and movement of any DOD shipment.

11. Documentation.

a. The carrier agrees to accept GBLs and CBLs on which freight charges will be paid by the Government, and be bound by all terms stated on the SF-1103, Government Bill of Lading, regardless of the type of bill of lading tendered.

b. The carrier agrees to comply with the documentation prelude procedures in effect at Military Ocean Terminals or the installation, when cargo is consigned for further movement overseas. (Prelodging is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal prior to delivery of the cargo at the terminal.) Instructions will be provided by the consignor to furnish certain data at least 24-hours in advance of cargo delivery to the terminal.

12. Loss or damage. The carrier agrees to be liable for loss or damage to cargo in accordance with the provisions of 49 U.S.C. 11707 (the Carmack Amendment to the Interstate Commerce Act.) Carrier agrees to promptly settle uncontested claims for loss or damage.

13. Standard Tender of Service.

a. The carrier agrees to comply with the preparation and filing instructions in applicable freight traffic rules publications issued by MTMC. Carrier understands that MTMC will reject tenders not in compliance with these instructions.

b. Carrier agrees to provide a street address where the company office is located in lieu of a post office box number. Carrier agrees to provide the address prior to or in conjunction with submission of any tenders or other rate schedules. The carrier agrees to also advise MTMC of any change in address prior to the effective date of the change. Failure to do so is grounds to discontinue use of the carriers.

c. Carrier understands that tenders inadvertently accepted and distributed for use and not in compliance with this agreement, the provisions contained in the Standard Tender of Freight Services (MT Form 364-R), or the applicable MNC Freight Traffic Rules Publication, and supplements thereof, will be subject to immediate removal or non-use until corrections are made. The issuing carrier will be advised when tenders are removed under these circumstances.

14. Rates.

a. Carrier agrees to transport Government shipments at the lowest tender rate specifically applicable to the department or agency involved.

b. Carrier agrees to publish guaranteed through rates for at least 30 days. These rates must be filed with MTMC, HQ, Eastern Area, ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The carrier must publish all rates, charges, and accessorial services on a MTMC approved form, and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

15. Carrier Performance. Carrier agrees that carrier's equipment, performance and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The carrier fully understands its obligation to remain current in its knowledge of service standards. The carrier accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the carrier for unsatisfactory service for any operating deficiency, noncompliance with the terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication of or assessment of unreasonable rates, charges, rules, descriptions classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulations 55-355, DTMR. If a carrier is removed or disqualified for 6 months or more, it will have to be re-qualified.

16. General Provisions. The carrier agrees to possess a valid Standard Carrier Alpha Code (SCAC). When a company holding the appropriate authority has operating divisions, each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement.

a. The terms of this Agreement will be applicable to each shipment.

b. This Agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.

d. The carrier agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and carrier name. Carrier understands that failure to notify MTMC shall be

grounds for immediate revocation of the carrier's approval and their participation in the movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to Commander, HQMTMC, Attn: MTOP-QQ, 5611 Columbia Pike, Falls Church, VA 22041-5050.

20. Carrier Acknowledgment and Acceptance. The certifying carrier official agrees to ensure that the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Carrier Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities.

I, _____ (Typed Name and Title of Carrier Official) verify under penalty of perjury under the laws of the United States of America, that the information contained in the carrier qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further, I understand the requirements of this Agreement and on behalf of: _____ (Typed Name of Carrier and MC Number) agree to comply with the terms and conditions contained herein.

_____ comply with the terms and conditions contained

(NAME OF FORWARDER, TYPED OR LEGIBLY PRINTED)

herein.

(SIGNATURE OF CARRIER OFFICIAL AND TITLE)

Date: _____

Address: _____

Telephone Number: _____

24-Hr Emergency Number: _____

Military Traffic Management Command

Acknowledgment/Acceptance Signature and Title:

Date Approved: _____

APPENDIX B TO PART 619

AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND MOTOR COMMON CARRIER GOVERNING THE TRANSPORTATION OF AMMUNITION AND EXPLOSIVES, CLASSES A AND B

1. The undersigned, who is duly authorized and empowered to act on behalf of _____ (Name of Company, Typed or Legibly Printed), (hereinafter called the carrier), as a prerequisite for approval to transport ammunition and explosives, class A and B, for the account of the Department of Defense (DOD) and the Military Traffic Management Command (MTMC), (hereinafter called the Government), agree to comply with all additional requirements, terms and conditions as set forth in this Agreement. This Agreement governs the transportation of all DOD class A and B ammunition and explosives shipments administered by MTMC. Further, the carrier must also be a party to

and in full compliance with requirements contained in the Agreement governing shipments which require a Transportation Protective Service (TPS). Noncompliance by the carrier with any provision of this or any other Agreement it is a party to will be sufficient grounds for immediate revocation of the carrier's approval to participate in the movement of class A and B ammunition and explosives. The carrier may be also subject to further action under the Carrier Performance Program, governed by MTMC Regulation 15-1, which could result in nationwide disqualification on all DOD freight shipments.

2. Approval and Revocation.

- a. Carrier understands that its initial approval and retention of approval are contingent upon establishing and maintaining, to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/ MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.
- b. The carrier understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification.
- c. In addition to the initial evaluation, the carrier agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.
- d. The carrier certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, or disqualified by a MTMC General Freight Board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance.

- a. Carrier agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations governing the safe transportation and storage of ammunition and explosives to include Title 49 Code of Federal Regulations (CFR) 177 and 386 through 397. Provisions for exempt intricate operations as defined in 49 CFR will not apply to the transportation of explosives for the DOD. Intrastate carriers are required to comply with all applicable state or federal regulations, whichever are more stringent.
 - b. No fines, charges, or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to or be paid by any agency of the Federal Government.
4. Operating Authority. Carrier agrees to maintain valid motor common carrier operating certificates for its scope of operations which is not restricted against the handling and transport of hazardous materials or ammunition and explosives, class A and B. Any carrier found to be involved in the brokerage, as defined by the Interstate Commerce Commission (ICC), of DOD freight traffic will have its' approval revoked.

5. Insurance.

- a. Minimum public liability insurance requirements are prescribed in Title 49 of the Code of Federal Regulations (CFR) 5387.9. Carrier agrees to ensure that the ICC is provided proof of their public liability insurance, in the form of a BMC 91 or 91-X, or MCS 90, in accordance with Sections 29 and 30 of the Motor Carrier Act of 1980. Further, the motor carrier will provide MTMC with a certificate of insurance form. The certificate holder block of the form will indicate that MTMC, ATTN.: MTOP-QQ, 5611 Columbia Pike, Falls Church, VA 22041-5050, will be notified in writing, 30 days in advance of any change or cancellation. The deductible portion will be shown on the certificate. The insurance underwriter must have a policy holder's rating in the Best's Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety Companies.
- b. The carrier agrees to also file with MTMC proof of:
 - (1) Public liability insurance. Interstate and intrastate carriers \$5,000,000 per vehicle.
 - (2) Cargo insurance. Cargo insurance in the minimum of \$150,000 for loss and damage of government freight per vehicle.
- c. The insurance, carried in the name of the carrier, will be in force at all times while this agreement is in effect or until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer notify MTMC, ATTN: MTOP-QQ, prior to any changes, renewals, and cancellation notices. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.

6. Performance Bond.

- a. Carrier agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the carrier obligation to deliver DOD freight to destination. It will cover DOD re-procurement costs as a result of carrier default, abandoned shipments, or bankruptcy. The bond will not be utilized for

operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The bond must be completed on the form provided by MTMC. The bond will be continuous until canceled. MTMC will be notified in writing, 30 days in advance of any change or cancellation. A letter of intent by the surety company, is required with the initial application package. Upon MTMC approval, the carrier agrees to submit the Performance Bond before the Tender of Service will be accepted.

b. The sum of the bond will be determined as follows.

(1) Carriers having done business in their own name with DOD for 3 years or more will be required to submit a Performance Bond in the amount of 2.5 % of their total DOD revenue taken from the Freight Information Systems Report (FINS), for the previous 12 months, not to exceed \$100,000 and not less than \$25,000.

(2) New carriers-and those carriers having done business in their own name with the DOD for less than 3 years will be required to submit a Performance Bond based on areas of service they offer. Areas of service will be computed as both origins and destinations served.

1 state (including intrastate)—\$25,000;

2 to 3 states—\$50,000; and

4 or more states—\$100,000.

(3) Once a carrier has been doing business with the DOD for 3 years, their bond requirement will change from area of service to percent revenue.

c. If carrier has secured the Performance Bond as a result of qualifying under the general commodity program or hazardous materials (other than ammunition and explosives, classes A and B) program, no additional Performance Bond is required.

7. Safety and Security.

a. A "satisfactory" safety rating will be maintained with the Federal Highway Administration, Department of Transportation, and/or with the appropriate state agency or commission in the case of intrastate. Safety ratings which are "unsatisfactory," "conditional," "insufficient information," or "not rated" will not be accepted. The carrier further agrees to permit unannounced safety and security inspections of its facilities, terminals, equipment, employees, and operational procedures by DOD civilian, military personnel, or DOD contract employees. Inspection of carrier equipment, drivers' records, route plans and inspection reports will be permitted during both the pickup and delivery of shipments and in coordination with local police or other authorities while in transit. Carrier also agrees to allow inspection of carrier records and individual driver qualification files. When requested, carrier agrees to provide adequate evidence of an active driver safety, security training and evaluation program. Carrier agrees to furnish, on request, drivers' Social Security Numbers to verify their security clearances and allow for inspection of carrier/driver records.

b. Carrier agrees to have in place a company-wide safety and security management program which includes specific on-going safety and security programs for each terminal location. Individual terminal programs will encompass planning and execution of safety and security in routine operations, to include emergency responders and planners, and with the local police and fire authority. Carrier programs will incorporate compliance with all applicable Federal, State and local statutes or requirements. Conformance with other safety standards, such as NFPA Code 498, will be accomplished as much as possible, with compensating measures for deviations. Safety and security programs at the company wide or terminal level may be subject to evaluation by a DOD representative.

c. The carrier agrees to notify, within a reasonable period of time, the consignor and consignee named by the Government Bill of Lading (GBL) of cargo loss, damage, or unusual delay. Carrier also agrees to notify the consignor and the consignee named on the GBL immediately by telephone of an accident, incident or significant delay. The information to be reported will include origin/destination, GBL number, shipping paper information, time and place of occurrence and other pertinent accident details. Carrier agrees to notify the MTMC area command annotated on the GBL and the Army Operations Center (AOC), within one half hour after notification of the consignor and consignee, and provide status updates as required. The MTMC HOTLINE and AOC telephone numbers are as follows:

—Eastern Area: (800) 524-0331; New Jersey only: (800) 624-1361

—Western Area: (800) 331-1822; California only: (800) 348-4639

—AOC: (703) 687-0213

When requested, Carrier agrees to furnish MTMC a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property) or MCS 50-B (Passengers) when DOD classes A and B explosives movements are involved.

d. Carrier agrees to provide the driver(s) transporting protected commodities an emergency telephone number (indicated on the last page of this Agreement) which, when used at any time (24-hours a day, 7 days a week), will reach a qualified carrier representative who will be able to provide information and assistance. MTMC will be immediately notified if this telephone number is changed. Carrier also agrees to equip the vehicle transporting the material with communications equipment (citizens band radio, mobile phone, etc.) capable of being used to obtain assistance in an emergency.

e. Carrier agrees to provide the appropriate Transportation Protective Service (TPS) when requested by a DOD shipper. Carrier further agrees to comply with, and meet, all criteria for TPS as set forth in the Agreement governing the transportation of shipments requiring a TPS and also defined in the MTMC Freight Rules Publication No 1A (MFTRP No 1A) and reissues thereto.

f. Carrier agrees to execute a DD Form 4415 (Certificate Pertaining to Foreign Interests) as a precondition to providing any TPS for the DOD. Only one DD Form 4415 must be executed by a carrier regardless of the number or type of TPS provided.

g. All copies of the Signature and Tally Record (DD Form 1907), Special Instructions for Motor Vehicle Drivers (DD Form 836), and the Motor Vehicle Inspection (DD Form 626), will be transferred from driver to driver throughout the entire movement of classes A and B explosives shipments. All drivers transporting such shipments must sign the DD Form 1907 and follow the instructions shown on the DD Form 836. Furnishing of the Signature and Tally Record is an integral part of a TPS to be provided by the carrier. Carrier must ensure that each person responsible for the proper handling of the shipment signs the Signature and Tally Record. When used with Dual Driver (DD), both drivers are required to sign the Signature and Tally Record upon original receipt.

8. Drivers requirement.

a. Carrier agrees to comply with all driver requirements contained in paragraph 7 of the Agreement Between the Military Traffic Management Command and Motor Common Carriers Governing the Transportation of Shipments Which Require a Transportation Protective Service (TPS) for and on Behalf of the U.S. Department of Defense.

b. Carrier agrees that newly employed drivers will not be allowed to transport class A and B explosives until after background checks, required by 49 CFR 391.23, have been successfully completed.

c. Carrier agrees that no driver disqualified under 49 CFR 391.15 will be permitted to operate any vehicle transporting class A and B explosives.

d. The driver of a motor vehicle transporting class A and B explosives must undergo a physical examination and must be certified physically qualified to drive a commercial motor vehicle in accordance with 49 CFR part 391.43. Carrier agrees to have driver screening programs in place to ensure that the provisions of this paragraph are met.

9. Equipment. Carrier agrees to comply with all equipment requirements contained in paragraph 8 of the Agreement Between the Military Traffic Management Command and Motor Common Carrier Governing the Transportation of Shipments Which Require a Transportation Protective Service (TPS) for and on Behalf of the U.S. Department of Defense.

10. Shipment.

a. Carrier agrees to ensure that the shipper provided placards are displayed in accordance with the general requirements found in 49 CFR 172.504.

b. Carrier is responsible for shipments from origin to ultimate destination. The carrier also remains responsible for shipments placed in a safe haven or refuge location. Carrier agrees not to disclose any information to unauthorized persons concerning the nature, kind, quantity, destination, consignee or routing of any protected commodities shipment tendered to it. The carrier further agrees to provide, at no additional cost to the Government, the status of any shipment within 24-hours after an inquiry is made.

c. Carrier agrees to comply with all shipment requirements contained in paragraph 9 of the Agreement Between the Military Traffic Management Command and Motor Common Carriers Governing the Transportation of Shipments Which Require a Transportation Protective Service (TPS) for and on Behalf of the U.S. Department of Defense.

d. When requested by the shipper for reasons of security, carrier agrees to cover the shipment with a carrier-provided tarpaulin. Protective tarping is an accessorial service.

11. Documentation.

a. The carrier agrees to accept GBLs on which freight charges will be paid by the Government, and bound by all terms stated on the SF-1103, GBL.

b. The carrier will comply with the documentation prelude procedures in effect at Military Ocean Terminals or the installation, when cargo is consigned for further movement overseas. (Prelodging is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal prior to delivery of the cargo at the terminal.) Instructions will be provided by the consignor to furnish certain data at least 24-hours in advance of cargo delivery to the terminal.

12. Loss or damage. The carrier agrees to be liable for loss or damage to cargo in accordance with the provisions of 49 U.S.C. 11707 (the Carmack Amendment to the Interstate Commerce Act.) Carrier agrees to promptly settle uncontested claims for loss or damage.

13. Standard Tender of Service.

a. The carrier agrees to comply with the preparation and filing instructions and applicable freight traffic rules publications issued by MTMC. Carrier understands that MTMC will reject tenders not in compliance with these instructions.

b. Carrier agrees to provide a street address where the company office is located in lieu of post office box number. Carrier agrees to provide the address prior to or in conjunction with submission of any tenders or other rate schedules. The carrier agrees to also advise MTMC of any change in address prior to the effective date of the change. Failure to do so is grounds to discontinue use of the carriers.

c. Carrier understands that tenders inadvertently accepted and distributed for use and not in compliance with this Agreement, the provisions contained in the Standard Tender of Freight Services (MT Form 364-R), or the applicable MTMC Freight Traffic Rules Publication, and supplements thereof, will be subject to immediate removal or non-use until corrections are made. The issuing carrier will be advised when tenders are removed under these circumstances.

14. Rates.

a. Carrier agrees to transport Government shipments at the lowest tender rate specifically applicable to the department or agency involved.

b. The carrier's rates must be on file with MTMC, HQ Eastern Area, ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The carrier must publish all rates, charges, and accessorial services on a "Department of Defense Standard Tender of Freight Services", MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

15. Carrier Performance. Carrier agrees that carrier's equipment, performance and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The carrier fully understands its obligation to remain current in its knowledge of service standards. The carrier accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the carrier for unsatisfactory service for any operating deficiency, noncompliance with the terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication of unreasonable rates, charges, rules, descriptions classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulations 55-355 DTMR. If a carrier is removed or disqualified for 6 months or more, it will have to be re-qualified.

16. General Provisions. The carrier must possess a valid Standard Carrier Alpha Code (SCAC). When a company holding the appropriate authority has operating divisions, each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement.

a. The terms of this Agreement will be applicable to each shipment.

b. This Agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee, by the Government, of any particular volume of traffic.

d. The carrier agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and carrier name. Carrier understands that failure to notify MTMC shall be grounds for immediate revocation of the carrier's approval and their participation in the movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to: Commander, MTMC, ATTN.: MTOP-QQ, 5611 Columbia Pike, Falls Church, Virginia 22041-5050.

20. Carrier Acknowledgment and Acceptance. The certifying carrier official agrees to ensure that the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Carrier Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities.

I, _____, (Typed Name and Title of Carrier Official) verify under penalty of perjury under the laws of the United States of America, that the information contained in the carrier qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further, I understand the requirements of this Agreement and on behalf of: _____ (Typed Name of Carrier and MC Number) agree to comply with the terms and conditions contained herein.

(NAME OF FORWARDER, TYPED OR LEGIBLY PRINTED)

_____ comply with the terms and conditions contained herein.

(SIGNATURE OF AGENT OFFICIAL AND TITLE)

Date: _____

Address: _____

Telephone Number: _____

24-Hr Emergency Number: _____

Military Traffic Management Command

Acknowledgment/Acceptance Signature and Title:

Date Approved: _____

APPENDIX C TO PART 619

AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND MOTOR COMMON CARRIERS GOVERNING THE TRANSPORTATION OF HAZARDOUS MATERIAL OTHER THAN CLASS A AND B EXPLOSIVES FOR AND ON BEHALF OF THE U.S. DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of _____ (Name of Company, Typed or Legibly Printed), (hereinafter called the carrier), as a prerequisite for approval to transport hazardous materials, (other than Class A and B Explosives), as defined in 49 Code of Federal Regulations (CFR) 172.3. Hazardous commodities in bulk include, but not limited to, such items as gasoline, kerosene, lubricating oil, turbine fuel, diesel fuel and fuel

oil, for the account of the DOD and the Military Traffic Management Command (MTMC) (hereinafter called the Government), agrees to comply with all requirements, terms and conditions as set forth in this Agreement. If the carrier wishes to participate in DOD traffic which requires a protective service, the carrier must also be a party to and in full compliance with requirements contained in the Agreement governing shipments which require a Transportation Protective Service (TPS). Noncompliance by the carrier with any provision of this or any other Agreement it is a party to will be sufficient grounds for immediate revocation of the carrier's approval to participate in the movement of hazardous materials. The carrier may also be subject to further action under the carrier Performance Program, governed by MTMC Regulation 15-1, which could result in nationwide disqualification on all DOD freight shipments.

2. Approval and Revocation.

- a. Carrier understands that its initial approval and retention of approval are contingent upon establishing and maintaining, to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/ MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.
- b. The carrier understands that MTMC may revoke approval at anytime upon discovery of grounds for ineligibility or disqualification. The carrier further understands that it is not authorized to submit tenders for shipments requiring a TPS until it has served DOD in an approved status for 12 continuous months. Prior to being allowed to handle shipments which require a TPS or class A and B explosives, the carrier must first meet any additional requirements in effect at that time.
- c. In addition to the initial evaluation, the carrier agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.
- d. The carrier certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC General Freight Board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance.

- a. Carrier agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations governing the safe, proper, and lawful operation of motor vehicles, to include Title 49 Code of Federal Regulations (CFR) 386-397. Intrastate carriers are required to comply with all applicable state or federal regulations, whichever are more stringent.
 - b. No fines, charges, or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to or be paid by any agency of the Federal Government.
4. Operating Authority. Carrier agrees to maintain valid Motor Common Carrier operating certificates for its scope of operations which is not restricted against the handling and transport of hazardous materials as defined in 49 CFR 172.3. Any carrier found to be involved in brokerage, as defined by the Interstate Commerce Commission (ICC), of DOD freight traffic will have its approval revoked.

5. Insurance.

- a. Minimum public liability insurance requirements are prescribed in Title 49 of the Code of Federal Regulations (CFR) 5387.9. Carrier agrees to ensure that the ICC is provided proof of their public liability insurance, in the form of a BMC 91 or 91-X, or MCS 90, in accordance with sections 29 and 30 of the Motor Carrier Act of 1980. Further, the Motor carrier will provide MTMC with a certificate of insurance form. The certificate holder block of the form will indicate that MTMC, ATTN: MTOP-QQ, 5611 Columbia Pike, Falls Church, VA 22041-5050, will be notified in writing, 30 days in advance of any change or cancellation. The deductible portion will be shown on the certificate. The insurance underwriter must have a policy holder's rating in the Best's Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety Companies.
- b. The carrier agrees to also file with MTMC proof of:
 - (1) Interstate Public Liability. Carrier will ensure that its insurance company(s) file with MTMC proof of public liability and property damage insurance for the transportation of hazardous commodities in the minimum amounts prescribed in 49 CFR 387.9.
 - (2) Intrastate Public Liability. Carrier will ensure that its insurance company(s) file with MTMC proof of insurance which meets the state requirements for public liability and property damage for the transportation of hazardous materials.

(3) Cargo Insurance. Carrier will also file with MTMC proof of \$150,000 per incident minimum cargo insurance for loss and damage of Government freight other than bulk fuel which is set at \$25,000.

c. The insurance, carried in the name of the carrier, will be in force at all times while this agreement is in effect or until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer notify MTMC, ATTN: MTOP-QQ, prior to any changes, renewals, and cancellation notices. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.

6. Performance Bond.

a. Carrier agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the carrier obligation to deliver DOD freight to destination. It will cover DOD procurement costs as a result of carrier default, abandoned shipments, or bankruptcy by the carrier. The bond will not be utilized for operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The bond must be completed on the form provided by MTMC. The bond will be continuous until canceled. MTMC will be notified in writing, 30 days in advance of any change or cancellation. A letter of intent, by the surety company, is required with the initial application package. Upon MTMC approval, the carrier agrees to submit the performance bond before the Tender of Service will be accepted.

b. The sum of the bond will be determined as follows.

(1) Carriers having done business in their own name with DOD for 3 years or more will be required to submit a Performance Bond in the amount of 2.5% of their total DOD revenue, taken from the Freight Information Systems Report (FINS), for the previous 12 months, not to exceed \$100,000 and not less than \$25,000.

(2) New carriers and those carriers having done business in their own name with the DOD for less than 3 years will be required to submit a Performance Bond based on areas of service they offer. Areas of service will be computed as both origins and destinations served.

1 state (including intrastate)—\$25,000;

2 to 3 states—\$50,000; and

4 or more states—\$100,000.

(3) Once a carrier has been doing business with the DOD for 3 years, their bond requirement will change from area of service to percent of revenue.

c. Bulk fuel carriers will be required to submit a \$25,000 Performance Bond.

d. Local drayage and commercial zone carriers are exempt from the bond requirement.

e. If carrier has secured the Performance Bond as a result of qualifying under the general commodity program or class A and B program, no additional Performance Bond is required.

7. Safety and Security.

a. A "satisfactory" safety rating will be maintained with the Federal Highway Administration, Department of Transportation, and/or with the appropriate state agency or commission in the case of intrastate. Safety ratings which are "unsatisfactory," "conditional," "insufficient information," or "not rated" will not be accepted. The carrier further agrees to permit unannounced safety and security inspections of its facilities, terminals, equipment and operational procedures by DOD civilian or military personnel, or DOD contract employees. These inspections may include transit surveillance of vehicles and drivers. The carrier agrees to provide evidence that fulfills the requirements set forth in 49 Code of Federal Regulation Parts 390 through 396. Inspection of carrier equipment, drivers' records, route-plans and inspection reports will be permitted during both the pickup and delivery of shipments and in coordination with local police or other authorities while in transit. Carrier also agrees to allow inspection of carrier records and individual driver qualification files. When requested, carrier agrees to provide adequate evidence of an active driver safety, security training and evaluation program. Carrier agrees to furnish, on request, driver's Social Security Numbers to verify their security clearances and allow for inspection of carrier/driver records.

b. Carrier agrees to have in place a company-wide safety and security management program which includes specific on-going safety and security programs for each terminal location. Individual terminal programs will encompass planning and execution for safety and security in routine operations, to include emergency responders and planners, and with the local police and fire authority. Carrier programs will incorporate compliance with all applicable Federal, State and local statutes or requirements. Conformance with other safety standards, such as NFPA Code 498, will be accomplished, as much as possible, with

compensating measures for deviations. Safety and security programs at the company wide or terminal level may be subject to evaluation by a DOD representative.

c. The carrier agrees to notify, within a reasonable period of time, the consignor and consignee named by the Government Bill of Lading (GBL) or Commercial Bill of Lading (CBL) of cargo loss, damage, or unusual delay. Carrier also agrees to notify the consignor and the consignee named on the GBL immediately by telephone of an accident, incident or significant delay. The information to be reported will include origin/destination, GBL/CBL number, shipping paper information, time and place of occurrence and other pertinent accident details. Carrier agrees to notify the MTMC area command annotated on the GBL and the Defense Logistics Agency (DLA), within one half (1/2) hour after notification of the consignor and consignee, and provide status updates as required. The MTMC HOTLINE and AOC telephone numbers are as follows:

—Eastern Area: (800) 524-0331; New Jersey only:

(800) 624-1361

—Western Area: (800) 331-1822; California only:

(800) 348-4639

—DLA: (800) 851-8061

When requested, carrier agrees to furnish MTMC a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property).

d. Carrier agrees to provide the driver(s) transporting hazardous commodities an emergency telephone number (indicated on the last page of this Agreement) which, when used at any time (24 hours a day, 7 days a week), will reach a qualified carrier representative who will be able to provide information and assistance. MTMC will be immediately notified if this telephone number should be changed.

e. Carriers approved to transport DOD hazardous materials requiring TPS agree that no driver disqualified under 49 CFR 391.15 will be permitted to operate any vehicle transporting such commodities.

f. Carriers approved to transport DOD hazardous materials agree to ensure that drivers of a motor vehicle transporting such commodities must undergo a physical examination and must be certified physically qualified to drive a commercial motor vehicle in accordance with 49 CFR 391.43. Carrier also agrees to have driver screening programs in place to ensure that the provisions of this paragraph are met.

8. Drivers Requirements.

a. Carrier agrees to ensure that the driver(s) employed to transport hazardous materials have a minimum of one year of general commodities driving experience (using similar equipment) prior to transporting hazardous commodities, and that its drivers are trained and competent in the movement of these commodities to include an understanding of the following: 49 CFR Part 397; instructions on procedures to be followed in the event of a delay; nature of the materials being transported; precautions to be taken in an emergency; written route plans; and shipping paper entries. The carrier will certify that the driver is trained and competent in the movement of hazardous commodities, and proof of certification must be carried in the vehicle of the unit transporting these commodities.

b. The carrier agrees to further ensure that driver(s) carry a valid commercial motor vehicle operator's license issued by his/her state of domicile, a certificate of physical examination issued during the preceding 24 months, and an employee record card, or similar document, one of which must contain the driver's photograph. The driver(s) must be 21 years of age. The driver(s) must carry a company picture identification to verify affiliation with the carrier named on the Government Bill of Lading (GBL).

9. Equipment.

a. Trip-leased equipment, with or without drivers, will not be used to transport hazardous materials for the account of the DOD. Exceptions for the use of intermittent or occasional drivers in 49 CFR 391.63 will not apply to any DOD movement. Any equipment, with or without drivers, leased to augment carrier-owned equipment will be on a not less than 90-day noncancellable basis.

b. A copy of the equipment lease agreement must be carried in the vehicle of the unit transporting these commodities. (Facsimile, Xerox, or otherwise reproduced copies are not acceptable.) Interchange agreements which originate at origin will be considered trip leases and will not be accepted. The lease must be complete at time of pick up and should require no further information to be completed by the driver. Failure to comply with this requirement or attempted abuse of this requirement could result in the carrier's participation in this type traffic to be immediately revoked and up to a nationwide disqualification on all DOD freight shipments should further action under the Carrier Performance Program be deemed appropriate.

c. Carriers approved to transport DOD hazardous materials requiring TPS agree to comply with all equipment requirements contained in paragraph 8 of the Agreement Between the Military Traffic Management Command and Motor Common Carriers Governing the Transportation of Shipments Which Require a Transportation Protective Services (TPS) for and on behalf of the U.S. Department of Defense.

10. Shipment.

a. Carrier is responsible for shipments from origin to ultimate destination. The carrier also remains responsible for shipments placed in a safe haven or refuge location. Carrier agrees not to disclose any information to unauthorized persons concerning the nature, kind, quantity, destination, consignee or routing of any hazardous material shipment tendered to it. The carrier further agrees to provide, at no additional cost to the Government, the status of any shipment within 24-hours after an inquiry is made.

b. Carrier agrees to ensure that shipper- provided placards are displayed in accordance with the general requirements found in 49 CFR 172.504 for the transportation of hazardous materials. The carrier further agrees to conform to the requirements found in 49 CFR 177.825 pertaining to the transportation of radioactive materials for which placarding is required. Carrier also agrees to route all other shipments of hazardous commodities in accordance with the provisions of 49 CFR 397.9.

c. When requested by the shipper for reasons of security, carrier agrees to cover the shipment with a carrier-provided tarpaulin. Protective tarping is an accessorial service.

d. Carriers approved to transport DOD hazardous materials requiring TPS agree to comply with all shipment requirements contained in paragraph 9 of the Agreement Between the Military Traffic Management Command and Motor Common Carriers Governing the Transportation of Shipments Which Require a Transportation Protective Service (TPS) for and on behalf of the U.S. Department of Defense.

11. Documentation.

a. The carrier agrees to accept GBLs and CBLs on which 73 freight charges will be paid by the Government, and bound by all terms stated on the SF-1103, Government Bill of Lading, regardless of the type of bill of lading tendered.

b. The carrier agrees to comply with the documentation prelodgement procedures in effect at Military Ocean Terminals or the installation, when cargo is consigned for further movement overseas. (Prelodgement is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal or the installation prior to delivery of the cargo at the terminal.) Instructions will be provided by the consignor to furnish certain data at least 24 hours in advance of cargo delivery to the terminal.

12. Loss or Damage. The carrier agrees to be liable for loss or damage to cargo in accordance with the provisions of 49 U.S.C. 11707 (the Carmack Amendment to the Interstate Commerce Act.) Carrier will promptly settle uncontested claims for loss or damage.

13. Standard Tender of Service.

a. The carrier agrees to comply with the preparation and filing instructions and applicable freight traffic rules publications issued by MTMC. Carrier understands that MTMC will reject tenders not in compliance with these instructions.

b. Carrier agrees to provide a street address where the company office is located in lieu of a post office box number. Carrier agrees to provide the address prior to or in conjunction with submission of any tenders or other rate schedules. The carrier agrees to also advise MTMC of any change in address prior to the effective date of the change. Failure to do so is grounds to discontinue use of the carriers.

c. Carrier understands that tenders inadvertently accepted and distributed for use and not in compliance with this agreement, the provisions contained in the Standard Tender of Freight Services (MT Form 364-R), or the applicable MTMC Freight Traffic Rules Publication, and supplements thereof, will be subject to immediate removal or non-use until corrections are made. The issuing carrier will be advised when tenders are removed under these circumstances.

14. Rates.

a. Carrier agrees to transport Government shipments at the lowest tender rate specifically applicable to the department or agency involved.

b. The carrier's rates must be on file with MTMC, HQ Eastern Area, ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The carrier must publish all rates, charges, and accessorial services on a "Department of Defense Standard Tender of Freight Services", MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

15. Carrier Performance. Carrier agrees that carrier's equipment, performance, and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The carrier fully understands its obligation to remain current in its knowledge of service standards. The carrier accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the carrier for unsatisfactory service subsequent to approval or for any other operating deficiency, or for noncompliance with terms of the Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates, charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulation 55-355, DTMR. If a carrier is removed or disqualified for 6 months or more, it will have to be requalified.

16. General Provisions. The carrier agrees to possess a valid Standard Carrier Alpha Code (SCAC). When a company holding the appropriate authority has operating divisions, each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement.

- a. The terms of this Agreement will be applicable to each shipment.
- b. This agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.
- c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.
- d. The carrier agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and carrier name. Carrier understands that failure to notify MTMC shall be grounds for immediate revocations of the carrier's approval and their participation in the movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to: Commander, Military Traffic Management Command, ATTN: MTOP-QQ, 5611 Columbia Pike, Falls Church, Virginia 22041-5050.

20. Carrier Acknowledgment and Acceptance. The certifying carrier official agrees to ensure that the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Carrier Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities.

I, _____ (Typed Name and Title of Carrier Official), verify under penalty of perjury under the laws of the United States of America, that the information contained in the carrier qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further, I understand the requirements of this Agreement and on behalf of:

_____ (Typed Name of Carrier and MC Number), agree to comply with the terms and conditions contained herein.

(NAME OF FORWARDER, TYPED OR LEGIBLY PRINTED)

comply with the terms and conditions contained herein.

(SIGNATURE OF AGENT OFFICIAL AND TITLE)

Date: _____

Address: _____

Telephone Number:_____

24-Hr Emergency Number: _____

Military Traffic Management Command

Acknowledgment/Acceptance Signature and Title:_____

Date Approved:_____

APPENDIX D TO PART 619 -- AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND MOTOR COMMON CARRIER GOVERNING THE TRANSPORTATION OF SHIPMENTS WHICH REQUIRE A TRANSPORTATION PROTECTIVE SERVICE (TPS) FOR AND ON BEHALF OF THE U.S. DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of _____, (Name of Company, Typed) hereinafter called the carrier, as a prerequisite for approval to transport classified materials, protected and sensitive material, weapons and ammunition, munitions or other hazardous material as defined in 49 Code of Federal Regulations (CFR) 172.3 which are designated sensitive by the U.S. Department of Defense (DOD) (hereinafter referred to as "protected commodities,") which require a Transportation Protective Services for the account of the DOD and the Military Traffic Management Command (MTMC) hereinafter called the Government, agrees to comply with all additional requirements, terms and conditions as set forth in this Agreement. If the carrier wishes to participate in DOD traffic, which requires a protective service, the carrier must also be a party to and in full compliance with the basic qualification standards either for general commodities, hazardous materials (other than class A and B explosives) or class A and B ammunition and explosives, has executed the appropriate MTMC agreement, and is required to maintain and will maintain in a current status, all basic requirements, in addition to requirements established by this Agreement. Noncompliance by the carrier with any provision of this or any other Agreement it is a party to will be sufficient grounds for immediate revocation of the carrier's approval to participate in the movement of protected commodities which require a TPS. The carrier may also be subject to further action under the carrier Performance Program, governed by MTMC Regulation 15-1, which could result in nationwide disqualification on all DOD freight shipments.

2. Approval and Revocation.

a. Carrier understands that its initial approval and retention of approval are contingent upon establishing and maintaining to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle the traffic anticipated by DOD/MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.

b. The carrier understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification.

c. In addition to the initial evaluation, the carrier agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this agreement to confirm continued eligibility.

d. The Carrier agrees to execute a DD Form 4415 (Certificate Pertaining to Foreign Interests) as a precondition to providing any TPS for the DOD. Only one DD Form 4415 must be executed by a carrier regardless of the number or type of TPS provided.

e. Carrier agrees to allow a National Agency Check (NAC) on all management and operational personnel involved in the performance of Dual Driver Protective Service with National Agency Checks (DN). The results of the NAC must be favorable as determined by MTMC under DOD criteria as a precondition to the carrier providing Satellite Monitoring (SM) with DN. Management personnel include: owners (including partnership where applicable), principle deputies, board members (where applicable) and company managers responsible for liaison with DOD operations. Operational personnel include: drivers, handlers, and terminal and security personnel hired permanently or temporarily by the company to protect the DOD cargo under SM with DN.

f. Carrier providing Protective Security Service (PS) and/or Security Escort Vehicle Service (SE) accompanying a PS shipment must have been cleared by the Defense Investigative Service (DIS) under the DOD Industrial Security Program.

3. Lawful Performance. Carrier agrees it will comply with all rules, regulations and requirements set forth in any and all agreements which may be applicable to the shipment/commodity transported requiring a TPS.

4. Agreements. When applicable, carrier agrees to execute a separate agreement with MTMC governing the transportation of hazardous materials, ammunition and explosives, or Class A and B explosives, as defined in 49 CFR Part 173.

5. Security.

a. Carrier agrees to designate a "qualified carrier representative" when handling shipments requiring a TPS. This representative will be employed by the carrier, or the terminal involved, aware of the sensitivity of the shipment, knowledgeable of the safety, security and emergency procedures to be followed, authorized and capable of moving a transportation conveyance and, when providing PS, cleared by DIS.

b. Carrier agrees to ensure that trailers containing protected commodities are always connected to tractors during shipment except when stopped at a DOD activity for loading and unloading, a carrier's terminal for servicing, a carrier-designated point where driver(s) or qualified carrier representative maintains continuous surveillance over the shipment, or a qualified safe haven or refuge location.

c. When requested by the shipper for reasons of security, carrier agrees to cover the shipment with a carrier-provided tarpaulin. Protective tarping for security reasons is an accessorial service.

6. Safety.

a. A "satisfactory" safety rating will be maintained with the Federal Highway Administration, Department of Transportation and/or with the appropriate state agency or commission in the case of intrastate transport. Safety ratings which are "unsatisfactory," "conditional," "insufficient information," or "not rated" will not be accepted.

b. Carrier agrees to notify the consignor and the consignee named on the GBL immediately by telephone of an accident, incident or significant delay. The information to be reported will include origin/destination, GBL/CBL number, shipping paper information, time and place of occurrence and other pertinent accident details. Carrier will notify the MTMC area command annotated on the GBL within one half (1/2) hour after notification of the consignor and consignee, and provide status updates as required. The MTMC HOTLINE telephone numbers are as follows:

—Eastern Area: (800) 524-0331; New Jersey only: (800) 624-1361

—Western Area: (800) 331-1822; California only: (800) 348-4639.

When requested, carrier will furnish MTMC a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property).

c. Carrier agrees to provide the driver(s) transporting protected commodities an emergency telephone number (indicated on the last page of this Agreement) which when used at any time (24 hours a day, 7 days a week), will reach a qualified carrier representative who will be able to provide information and assistance. MTMC will be immediately notified if this telephone number should be changed. Carrier also agrees to equip the vehicle transporting the material with communications equipment (citizens band radio, mobile phone, etc.) capable of being used to obtain assistance in an emergency.

7. Driver Requirements.

a. Carrier agrees to ensure that the driver(s) employed to transport protected commodities requiring a TPS be 21 years of age and have a minimum of one year of experience driving tractor/trailer equipment under various driving conditions.

b. Carrier agrees to ensure that the driver(s) employed to transport protected commodities requiring a TPS carry a valid motor vehicle operator's license issued by his/her state of domicile, a certificate of physical examination issued during the preceding 24 months, and an employee record card, or similar document, one of which must contain the driver's photograph.

c. Carrier agrees to ensure driver(s) will carry a company picture identification card to verify affiliation with the carrier named on the Government Bill of Lading (GBL). The driver identification requirements for those carriers cleared to handle SECRET shipments will be in accordance with Paragraph 5-410 of the DOD Industrial Security Manual (DOD 5220.22-M) and Paragraph 11a(10) of the Carrier Supplement to the DOD Industrial Security Manual (DOD 5220.22-C).

8. Equipment.

a. Trip leased equipment, with or without drivers, will not be used to transport protected commodities for the account of the DOD. Exceptions for the use of intermittent or occasional drivers in 49 CFR 391.63 will not apply to any DOD movement. Any equipment, with or without drivers, leased to augment carrier-owned equipment will be on a not less than 90-day noncancellable basis.

b. A copy of the equipment lease agreement must be carried in the vehicle of the unit transporting these commodities. (Facsimile, Xerox, or otherwise reproduced copies are not acceptable.) Interchange agreements which originate at origin will not be accepted. The lease must be complete at time of pick up and should require no further information to be completed by the driver. Failure to comply with this requirement or attempted abuse of this requirement could result in the carrier's participation in this type traffic to be immediately revoked and up to a nationwide disqualification on all DOD freight shipments should further action under the Carrier Performance Program be deemed appropriate.

9. Shipment.

a. Carrier agrees to provide the appropriate TPS when requested by a DOD shipper. Carrier further agrees to perform the TPS as defined in the applicable Military Traffic Management Command Freight Traffic Rules Publication (MFTRP No. 1A) or reissues thereto.

- DOD Constant Surveillance Service (CS)
- Dual Driver Protective Service (DD)
- Dual Driver w/ National Agency Check Protective Service (DN)
- Motor Surveillance Service (MS)
- Protective Security Service (PS)
- DTTS Satellite Motor Surveillance Service (SM)
- Security Escort Vehicle Service (SE)

b. Carrier agrees that all shipments of protected commodities D14 and/or PS will only be moved in direct single line-haul service. Transportation involving an interchange service may be used, however, if the shipment is under DD or CS.

c. Carrier agrees to provide exclusive use of vehicle or dromedary service for all shipments requiring SM with DN and/or PS. The motor vehicle or dromedary furnished will be devoted exclusively to the transportation of the tendered shipment without seal or lock breakage, and without transfer of jading for the convenience of the carrier.

d. Carrier agrees to maintain a Signature and Tally Record (ST) (DD Form 1907) for all shipments of protected commodities requiring a TPS. Furnishing of the ST is an integral part of a TPS to be provided by the carrier. Carrier agrees to ensure that each person responsible for the proper handling of the shipment signs the ST at the time he/she assumes responsibility. All drivers transporting such shipment must sign the ST. When used with DD, both drivers are required to sign the ST upon original receipt.

e. Carrier agrees to be responsible for shipments from origin to ultimate destination. The carrier also remains responsible for shipments placed in a safe haven or refuge location. Carrier agrees not to disclose any information to unauthorized persons concerning the nature, kind, quantity, destination, consignee or routing of any protected commodities shipment tendered to it. The carrier further agrees to provide, at no additional cost to the Government, the status of any shipment within 24 hours after an inquiry is made.

10. Carrier Performance. Carrier agrees that carrier's equipment, performance, and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The carrier fully understands its obligation to remain current in its knowledge of service standards. The carrier accepts the Government's right to revoke approval, declare ineligible, nonuse, or disqualify the carrier for unsatisfactory service subsequent to approval or for any other operating deficiency, or for noncompliance with terms of the Agreement or terms of negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties or for publication or assessment of unreasonable rates, charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulation 55-355, DTMR. If a carrier is removed or disqualified for 6 months or more, it will have to be requalified.

11. Terms of the Agreement.

a. The terms of this Agreement will be applicable to each shipment.

b. This agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.

d. The carrier agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and carrier name. Carrier understands that failure to notify MTMC shall be grounds for immediate revocation of the carrier's approval and their participation in the movement of DOD freight.

12. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

13. Inquiries. Inquiries may be referred to Commander, Military Traffic Management Command, ATTN: MTOP-QQ, 5611 Columbia Pike, Falls Church, Virginia 22041-5050.

14. Carrier Acknowledgment and Acceptance. The certifying carrier official agrees to ensure the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Carrier Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate nonuse of the carrier, the affiliated companies, division and entities.

I, _____, (Typed Name and Title of Carrier Official) verify under penalty of perjury under the laws of the United States of America, that the information contained in the carrier qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further, I understand the requirements of this Agreement and on behalf of:

_____ (Typed Name of Carrier and MC Number) agree to comply with the terms and conditions contained herein.

(NAME OF FORWARDER, TYPED OR LEGIBLY PRINTED)

comply with the terms and conditions contained herein.

(SIGNATURE OF AGENT OFFICIAL AND TITLE)

Date: _____

Address: _____

Telephone Number: _____

24-Hr Emergency Number: _____

Military Traffic Management Command

Acknowledgment/Acceptance Signature and Title:

Date Approved: _____

APPENDIX E TO PART 619—AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND SURFACE FREIGHT FORWARDERS GOVERNING THE TRANSPORTATION OF GENERAL COMMODITIES FOR AND ON BEHALF OF THE U.S. DEPARTMENT OF DEFENSE.

1. The undersigned, who is duly authorized and empowered to act on behalf of _____, (Name of Company, Typed or Legibly Printed), hereinafter referred to as the forwarder, as a prerequisite for consideration for participation in the transport of general commodities as an exempt surface freight forwarder, for the U.S. Department of Defense (DOD), agree to comply with all additional requirements, terms and conditions as set forth in this Agreement.

Noncompliance with any provision of this Agreement will be sufficient grounds for immediate revocation of the forwarder's privilege to participate in the movement of DOD freight. For the purpose of this Agreement, a surface freight forwarder is defined as a person or company who acts as a common carrier, that is, a carrier which holds itself out to the general public to provide transportation of property for compensation, assembles and consolidates less-than-truckload freight, as defined in the instructions for preparation of Department of Defense Standard Tender of Freight Services, MT Form 364-4 (and revisions thereto), Part II, and uses for the whole or any part of the line-haul transportation the services of regulated motor rail carriers, breaks bulk, and delivers the less-than-truckload freight holding out in its own name and under its own responsibility, a through transportation service from point of receipt to destination. Forwarders may participate in truckload movements under extraordinary circumstances, but not on a regular basis nor as their main business.

2. Approval and Revocation.

a. Forwarder understands that its initial approval and retention of approval are contingent upon establishing and maintaining to MTMC 's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.

b. The forwarder understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification. The forwarder further understands that it is not authorized to participate in any traffic which requires a TPS.

c. In addition to the initial evaluation, the forwarder agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this agreement to confirm continued eligibility.

d. The forwarder certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC General Freight board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance.

a. Forwarder agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations. No fines, charges or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to, or be paid by any agency of the Federal Government.

b. The forwarder agrees to keep current and on file a list of all carriers to be used in the transport of DOD freight shipments. This list will contain, as a minimum, the company's name, president/vice president's name, operating authority number, corporate office address, telephone number and a designated 24-hour on-call point of contact in the event of an accident or emergency situation. MTMC can direct the forwarder not to use specific carriers in the movement of DOD freight shipments.

c. The forwarder further agrees and certifies that it will not use any carrier which has been debarred, suspended by the Government or which has been placed in non-use or disqualified by MTMC from doing business with the DOD for the movement of any DOD freight shipments.

4. Operations. Forwarder agrees and certifies that it is acting as a forwarder as defined herein. If incorporated, evidence of incorporation, bearing the official seal of the state in which filed. Articles of Incorporation, listing all the officers of the corporation are attached and certified to be true, correct and current.

5. Insurance.

a. The forwarder agrees to maintain a minimum of \$1,000,000 public liability insurance and \$250,000 cargo insurance for loss and damage of Government freight. A copy of the certificate of insurance form must be on file with MTMC, ATTN: MTOP-QQ, prior to any performance of service by the forwarder.

b. The insurance, carried in the name of the carrier, will be in force at all times while this agreement is in effect or until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer notify MTMC, ATTN: MTOP-QQ, prior to any changes, renewals, and cancellation notices. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.

c. The insurance underwriter must have a policyholder's rating in the Best's Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety Companies, self-insurance will not be accepted.

6. Performance Bond.

a. Forwarder agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the carrier obligation to deliver DOD freight to destination. It will cover DOD reprourement costs as a result of carrier default, abandoned shipments, or bankruptcy by the carrier. The bond will not be utilized for operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The bond must be completed on the form provided by MTMC. The bond will be continuous until canceled. MTMC will be notified in writing, 30 days in advance of any change or cancellation. A letter of intent, by the surety company, is required with the initial application package. Upon MTMC approval, the carrier agrees to submit the performance bond before the Tender of Service will be accepted.

7. Safety.

a. The forwarder agrees not to use any carrier that has a "unsatisfactory" safety rating with the Federal Highway Administration, Department of Transportation, and if it is an intrastate Motor carrier, with the appropriate state agency.

b. Shipments will be delivered in direct service without delay to the destination shown on the GBLs unless consignee or consignor directs diversion of the shipment to a new or different destination. Deliveries will be made during the shipper's normal business hours.

c. The forwarder agrees not to divulge any information to unauthorized persons concerning the nature or movements of any shipment tendered to it.

d. The forwarder agrees to notify, within a reasonable period of time, the consignor and consignee named by the GBL or CBL of cargo loss, damage, or unusual delay, information reported will include origin/destination, GBL/CBL number, shipping paper information, time and place of occurrence and other pertinent details. Upon request, the forwarder agrees to ensure MTMC is furnished a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property).

e. Forwarders agrees to have in place a company-wide safety management program. Forwarder safety program will comply with applicable Federal, State and local statutes or requirements. Safety programs at the company-wide or terminal level may be subject to evaluation by DOD representatives. The forwarder further agrees to permit unannounced safety inspections of its facilities, terminals, equipment, employees, and procedures by DOD civilian, military personnel, or DOD contract employees.

8. Reserved.

9. Equipment.

a. The forwarder agrees to ensure equipment is spotted for loading at the time and place requested. The government reserves the right to reject the utilization of any equipment placed for loading by the forwarder if it does not, upon inspection, meet specifications and requirements for the particular shipment involved (size, cube, cleanliness, mechanical condition, etc.).

10. Shipment. Forwarder agrees to provide, at no additional cost to the government, the status of any shipment within 24-hours after an inquiry is made. Further, the forwarder agrees not to divulge any information to unauthorized persons concerning the nature and movement of any DOD shipment.

11. Documentation.

a. The forwarder agrees to accept GBLs on which freight charges will be paid by the Government, and bound by all terms stated on the SF-1103, GBL, regardless of the type of bill of lading tendered.

b. The forwarder agrees to comply with the provisions of documentation Prelodging in effect at Military Ocean Terminals which cargo is consigned for further movement overseas. (Prelodging is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal prior to delivery of the cargo at the terminal.) Instructions will be provided by the consignor to furnish certain data at least 24-hours in advance of cargo delivery to the terminal.

12. Loss or Damage. The forwarder agrees to be liable for delivery of all cargo in the same condition as received at origin, except loss or damage caused by act of God, public enemy act, omission of shipper, inherent vice or detrimental changes due to nature of commodity, or natural shrinkage. Forwarder agrees to settle promptly, claims for loss or damage. The forwarder also agrees to provide the status of any shipment tendered to them within 24-hours after an inquiry is made.

13. Standard tender of service.

- a. The forwarder agrees to comply with the preparation and filing instructions in applicable freight traffic rules publications issued by MTMC. Carrier understands that MTMC will reject tenders not in compliance with these instructions.
- b. Forwarder agrees to provide a street address where the company office is located in lieu of post office box number. MTMC must be advised of any change in address. Failure to do so is grounds to discontinue use of the carriers.
- c. Forwarder understands that tenders inadvertently accepted and distributed for use and not in compliance with this agreement, the provisions contained in the Standard Tender of Freight Services (MT Form 364-R), or the application MNC Freight Traffic Rules Publication, and supplements thereof, will be subject to immediate removal or non-use until corrections are made. The issuing carrier will be advised when tenders are removed under these circumstances.

14. Rates.

- a. Forwarder agrees to transport Government shipments at its lowest effective charge named in the tender applicable on the commodity transported, whether or not the rate tender is referenced on the GBL.
- b. The forwarder's agrees to publish through rates guaranteed for at least 30 days. These rates must be filed with: ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The forwarder must publish all rates, charges, and accessorial services on a "Department of Defense Standard Tender of Freight Services" MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)
- c. The forwarder agrees to promptly refund any uncontested overcharges to the Government and authorizes the government to deduct the amount of overcharges from any amount subsequently found to be due the forwarder.
- d. The Government reserves the right to pursue administrative claims directly with forwarders under the Interstate Commerce Act or other authorities.

15. Carrier Performance.

- a. Forwarder agrees that its performance, and standards of service will conform with its obligations under Federal, State and local law and regulations as well as with the guidelines found in the DTMR and this Agreement. the forwarder fully understands its obligation to remain current in its knowledge of service standards. The forwarder accepts the Government's right to revoke approval declare ineligible, non-use, or disqualify the carrier for unsatisfactory service for any operating deficiency, noncompliance with terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates, charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulation 55-355, DTMR. If a forwarder is removed or disqualified for 6 months or more, it will have to be re-qualified.
- b. Failure or nonperformance by the forwarder with any of the terms or conditions of service will constitute a breach of this Agreement. The Government reserves the right to disqualify the forwarder for unsatisfactory service until such times as the forwarder establishes to the satisfaction of DOD that the operating or other deficiency(ies) has been corrected.

16. General Provisions. That the forwarder must have a valid Standard Carrier Alpha Code (SCAC) and use it on all DOD billing documents to identify the forwarder. When a company holding the appropriate authority has operating divisions each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement.

- a. The terms of this Agreement will be applicable to each shipment.
- b. This Agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.
- c. Nothing in this Agreement will be construed as a guarantee, by the Government, of any particular volume of traffic.
- d. The forwarder agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and carrier name. Carrier understands that failure to notify MTMC shall be grounds for immediate revocation of the carrier's approval and their participation in the movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to: Commander, MTMC, 5611 Columbia Pike, ATTN: MTOP-QQ, Falls Church, Virginia 22041-5050.

20. Carrier Acknowledgment and Acceptance. The certifying carrier official agrees to ensure that the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Carrier Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities. I,

(Typed name and Title of Carrier Official)

verify under penalty of perjury under the laws of the United States of America, that the information contained in the carrier qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further, I understand the requirements of this Agreement and on behalf of:

(NAME OF FORWARDER, TYPED OR LEGIBLY PRINTED)

comply with the terms and conditions contained herein.

(SIGNATURE OF AGENT OFFICIAL AND TITLE)

Date:_____

Address:_____

Telephone Number:_____

24-Hr Emergency Number:_____

Military Traffic Management Command

Acknowledgment/Acceptance Signature and Title:

Date Approved:_____

APPENDIX F TO PART 619—AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND SHIPPER AGENTS GOVERNING THE TRANSPORTATION OF GENERAL COMMODITIES FOR AND ON BEHALF OF THE U.S. DEPARTMENT OF DEFENSE.

1. The undersigned, who is duly authorized and empowered to act on behalf of _____ (Name of Agent, Typed or Legibly Printed), a shipper agent, hereinafter called the agent, as a prerequisite for consideration for participation in the transport of general commodities as an exempt shipper agent, for the U.S. Department of Defense (DOD), agree to comply with all requirements, terms and conditions as set forth in this Agreement. Noncompliance with any provision of this Agreement will be sufficient grounds for immediate revocation of this agent's privilege to participate in the movement of DOD freight. For the purpose of this Agreement an exempt shipper agent is defined as a person or company who for compensation provides a service by acting as an intermodal intermediary handling truck or container load shipments. The agent also handles drayage on both ends of the movement and other services performed in a terminal area. The agent may not act in its capacity as a broker when charged with the responsibility of moving DOD freight shipments.

2. Approval and Revocation.

a. Agent understands that its initial approval and retention of approval are contingent upon establishing and maintaining to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/MTMC under the agent's proposed scope of operations in accordance with the service requirements of the shipper.

b. The agent understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification. The agent further understands that it is not authorized to participate in any traffic which requires a Transportation Protective Service (TPS).

c. In addition to the initial evaluation, the agent agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this agreement to confirm continued eligibility.

d. The agent certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently MTMC General Freight board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance.

a. Agent agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations. No fines, charges, or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to, or be paid by any agency of the Federal Government.

b. The agent agrees to keep current and on file a list of all carriers to be used in the transport of DOD freight shipments. This list will contain, as a minimum, corporate office address, telephone number and a designated 24-hour on-call point of contact in the event of an accident or emergency situation. MTMC can direct agent not to use specific carriers in the movement of DOD freight shipments.

c. The agent further agrees and certifies that it will not use any carrier which has been debarred, suspended by the Government or which has been placed in non-use or disqualified by MTMC from doing business with the DOD for the movement of any DOD freight shipments.

4. Operations. Agent agrees to maintain valid Motor Shipper Agent as defined herein. If incorporated, evidence of incorporation, bearing the official seal of the state in which filed. Articles of Incorporation, listing all officers of the corporation are attached and certified to be true, correct and current.

5. Insurance.

a. The agent agrees to maintain a minimum of \$1,000,000 public liability insurance and \$250,000 cargo insurance for loss and damage of Government freight. A copy of the certificate of insurance must be on file with MTMC, ATTN: MTOP-QQ, prior to any performance of service by the agent.

b. The insurance, carried in the name of the carrier, will be in force at all times while this agreement is in effect or until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer notify MTMC, ATTN: MTOP-QQ, prior to any changes, renewals, and cancellation notices. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.

c. The insurance underwriter must have a policyholder's rating in the Best's Insurance Guide, listed in the Fiscal Service. Treasury Department Circular 570, Listing of Surety Companies. Self insurance will not be accepted.

6. Performance Bond. Agent agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the agent's obligation. It will cover default, abandoned shipments, bankruptcy and re-procurement costs. The bond will not be utilized for operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The amount of the bond shall be no less than \$100,000. The bond must be completed on the form provided by MTMC and will be continuous until canceled. MTMC will be notified, in writing, 30 days in advance of any change or cancellation. A letter of intent, by the surety company, is required with the initial application package. Upon MTMC approval, the agent agrees to submit the performance bond before the Tender of Service will be accepted.

7. Safety.

a. The agent agrees not to use any carrier that has an "unsatisfactory" safety rating with the Federal Highway Administration. Department of Transportation, and if it is an interstate Motor carrier, with the appropriate state agency.

b. Shipments will be delivered in direct service without delay to the destination shown on the GBLs unless consignee or consignor directs diversion of the shipment to a new or different destination. Deliveries will be made during the shipper's normal business hours.

c. The agent agrees not to divulge any information to unauthorized persons concerning the nature and movements of any shipment tendered to it.

d. Agent agrees to notify the consignee and consignor named by the GBL or CBL of cargo loss, damage, or unusual delay, information reported will include origin/destination, GBL/CBL, number, shipping paper information, time and place of occurrence, and other pertinent details. Upon request, the agent agrees to ensure MTMC is furnished a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property).

e. The agent agrees to have in place a company-wide safety Management program. Agent safety program will comply with applicable Federal, State and local statutes or requirements. Safety programs at the company-wide or terminal level may be subject to reevaluation by DOD representatives. The agent further agrees to permit unannounced safety inspections of its facilities, terminals, equipment, employees, and procedures by DOD civilian, military personnel, or DOD contract employees.

8. Reserved.

9. Equipment. The agent agrees to ensure equipment spotted or unloading at the time and place requested. The Government reserves the right to reject the utilization of any equipment placed for loading by the agent if it does not, upon inspection, meet specifications and requirements for the particular shipment involved (size, cube, cleanliness, mechanical condition, etc.).

10. Shipment. The agent agrees to provide, at no additional cost to the Government, the status of any shipment within 24-hours after an inquiry is made. Further, the agent agrees to not divulge any information to unauthorized persons concerning the nature and movement of any DOD shipment.

11. Documentation.

a. The agent agrees to accept GBLs on which freight charges will be paid by the Government, and bound by all terms stated thereon.

b. The agent will comply with the documentation prelude procedures in effect at Military Ocean Terminals or the installation, when cargo is consigned for further movement overseas. (Prelodging is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal prior to delivery of the cargo at the terminal to permit preparation of the terminal documentation.) Instructions will be provided by the consignor to furnish certain data at least 24-hours in advance of cargo delivery to the terminal.

12. Loss or Damage. The agent agrees to be liable for delivery of all cargo in the same condition as received at origin, except loss or damage to cargo caused by act of God, public enemy act, omission of shipper, inherent vice or detrimental changes due to nature of commodity, or natural shrinkage. Agent agrees to promptly settle claims for loss or damage. The agent also agrees to provide the status of any shipment tendered to them within 24-hours after an inquiry is made.

13. Standard Tender.

a. The agent agrees to comply with the preparation and filing instructions in applicable freight traffic rules publications issued by MTMC. Agent understands that MTMC will reject tenders not in compliance with these instructions.

b. Agent agrees to provide a street address where the company office is located in lieu of post office box number. Agent agrees to provide the address prior to or in conjunction with submission of any tenders or other rate schedules. The agent agrees to also advise MTMC of any change in address prior to the effective date of the change. Failure to do so is grounds to discontinue use of this agent.

c. Agent understands that tenders inadvertently accepted and distributed for use and not in compliance with this agreement, the provisions contained in the Standard Tender of Freight Services (MT Form 364-R), or the applicable MTMC Freight Traffic Rules Publication, and supplements thereof, will be subject to immediate removal or non-use until corrections are made. The issuing agent will be advised when tenders are removed under these circumstances.

14. Rates.

a. Agent agrees to transport Government shipments at its lowest effective charge named in the tender applicable on the commodity transported, whether or not the rate tender is referenced on the GBL.

b. The agent agrees to publish through rates guaranteed for at least 30 days. These rates must be on file with MTMC, HQ Eastern Area, ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The agent must publish all rates, charges, and accessorial services on a "Department of Defense Standard Tender of Freight Services" MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

c. The agent agrees to promptly refund all uncontested overcharges to the Government and authorizes the Government to deduct the amount of overcharges from any amount subsequently found to be due the agent.

d. The Government reserves the right to pursue administrative claims directly with agents under the Interstate Commerce Act or other authorities.

15. Agent Performance. Agent agrees that agent's equipment, performance and status of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The agent fully understands its obligation to remain current in its knowledge of service standards. The agent accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the agent for unsatisfactory service for any operating deficiency, noncompliance with the terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication of unreasonable rates, charges, rules, descriptions classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Agent Performance Program are found in MTMC Regulation 15-1, and Army Regulations 55-355 DTMR. If an agent is removed or disqualified for 6 months or more, it will have to be re-qualified.

b. Failure or nonperformance by the agent with any of the terms or conditions of service will constitute a breach of this Agreement. The Government reserves the right to disqualify the agent for unsatisfactory service until such time as the agent reestablishes to the satisfaction of DOD that the operating or other deficiency(ies) has been corrected.

16. General Provisions. The agent must possess a valid Standard Agent Alpha Code (SCAC). When a company holding the appropriate authority has operating divisions, each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement.

a. The terms of this Agreement will be applicable to each shipment.

b. This Agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee, by the Government, of any particular volume of traffic.

d. The agent agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and agent name. Agent understands that failure to notify MTMC shall be grounds for immediate revocation of the agent's approval and their participation in the movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to: Commander, MTMC, ATTN: MTOP-QQ, Falls Church, Virginia 22041-5050.

20. Agent Acknowledgment and Acceptance. The certifying agent official agrees to ensure that the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Agent Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the agent, the affiliated companies, division and entities. I,

(Typed name and Title of Agent Official)

verify under penalty of perjury under the laws of the United States of America, that the information contained in the agent qualification application packet and this Agreement is true, correct and complete. If

representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further, I understand the requirements of this Agreement and on behalf of:

(NAME OF FORWARDER, TYPED OR LEGIBLY PRINTED)

comply with the terms and conditions contained herein.

(SIGNATURE OF AGENT OFFICIAL AND TITLE)

Date: _____

Address: _____

Telephone Number: _____

24-Hr Emergency Number: _____

Military Traffic Management Command

Acknowledgment/Acceptance Signature and Title:

Date Approved: _____

APPENDIX G TO PART 619 - AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND AIR FREIGHT FORWARDERS GOVERNING THE TRANSPORTATION OF GENERAL COMMODITIES FOR AND ON BEHALF OF THE U.S. DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of _____, (Name of Agent, Typed or Legibly Printed) hereinafter referred to as the Forwarder, as a prerequisite for consideration for participation in the transport of general commodities as an exempt Air Freight Forwarder, for the U.S. Department of Defense (DOD), agree to comply with all requirements, terms and conditions as set forth in this Agreement. Noncompliance with any provision of this Agreement will be sufficient grounds for immediate revocation of the forwarder's privilege to participate in the movement of DOD freight. For the purpose of this Agreement, an Air Freight Forwarder is defined as a person or company who acts as a common carrier. That is, a carrier who holds itself out to the general public to provide transportation of property for compensation, assembles and consolidates less-than-truckload freight, as defined in the Instruction for Preparation of Department of Defense Standard Tender of Freight Services, MT Form 364-4 (and revisions thereto), Part II, and uses for the whole or any part of the line-haul transportation the services of regulated motor or air carriers, break bulk and delivers the less-than-truckload freight holding out in its own name and under its own responsibility a through transportation service from point of receipt to destination.
2. Approval and Revocation.
 - a. Forwarder understands that its initial approval and retention of approval are contingent upon establishing and maintaining to MTMC 's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/MTMC under the Forwarder's proposed scope of operations in accordance with the service requirements of the shipper.
 - b. The Forwarder understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification.
 - c. In addition to the initial evaluation, the forwarder agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.
 - d. Forwarder agrees and certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC Carrier Review Board (CRB), or placed in non-use by MTMC from doing business with DOD.
3. Lawful Performance.

- a. Forwarder agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations. No fines, charges, or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to or be paid by any agency of the Federal Government.
- b. The Forwarder agrees to keep current and on file a list of all carriers to be used in the transport of DOD freight shipments. This list will contain, as a minimum, the company's name, president/ vice president's name(s), operating authority number, corporate office address, telephone number and a designated 24-hour on call point of contact in the event of an accident or emergency situation. MTMC can direct the Forwarder not to use specific carriers in the movement of DOD freight shipments.
- c. Forwarder further agrees and certifies that it will only use carriers that are approved through the Carrier Qualification Program (CQP) to transport DOD freight, and will not use any carrier that had been debarred, suspended by the Government or which has been placed in nonuse or disqualified any MTMC from doing business with the DOD for the movement of any DOD freight shipments.
4. Operations. Forwarder agrees and certifies that it is operating as a forwarder as defined herein. If incorporated, evidence of incorporation, bearing the official seal of the state in which filed, Articles of Incorporation, listing all the officers of the corporation is attached and certified to be true, correct and current.
5. Insurance.
 - a. The Forwarder agrees to maintain a minimum of \$1 million public liability insurance and \$250,000 cargo insurance for loss and damage of Government freight. A copy of the certificate of insurance must be on file with MTMC, ATTN: MTOP-QQ prior to any performance of service by the forwarder.
 - b. The insurance, carried in the name of the carrier, will be in force at all times while this agreement is in effect or until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer notify MTMC, ATTN: MTOP-QQ, prior to any changes, renewals, and cancellation notices. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.
 - c. The insurance underwriter must have a policy holder's rating in the Best's Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety companies. Self-Insurance will not be accepted.
6. Performance Bond.
 - a. Forwarder agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the Forwarder's obligation to deliver DOD freight to destination. It will cover default, abandoned shipments, bankruptcy and procurement costs. The bond will not be utilized for operational problems such as late pickup or delivery, excessive transit time, refusals, no shows, improper or inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The sum of the bond shall be no less than \$100,000. The bond must be completed on the form provided by MTMC and will be continuous until canceled. MTMC will be notified, in writing, 30 days in advance of any change or cancellation. A letter of intent (LOI), by the surety company, is required with the initial application. Upon MTMC approval, the Forwarder will submit the performance bond before the Tender of Service will be accepted.
7. Safety.
 - a. Forwarder agrees not to use any carrier that has an "unsatisfactory" safety rating with the Federal Highway Administration (FHWA), Department of Transportation (DOT), and if it is an intrastate motor carrier, with the appropriate state agency.
 - b. Shipments will be delivered in direct service without delay to the destination shown on the Government Bill of Lading (GBL) unless consignor or consignee directs diversion of the shipment to a new or different destination. Deliveries will be made during the shipper's normal business hours.
 - c. Forwarder agrees to not divulge any information to unauthorized persons concerning the nature and movement of any movement of shipment tendered to it.
 - d. The Forwarder agrees to notify, within 24-hours, the consignor and consignee named on GBL or Commercial Bill of Lading (CBL) of cargo loss, damage, or unusual delay. Information reported will include origin/destination, GBL/CBL number, shipping paper information, time and place of occurrence, and other pertinent details. Upon request, the Forwarder agrees to furnish MTMC a copy of accident reports submitted to the DOT on Form MCS 50-T (property).

e. Forwarder agrees to have in place a company-wide safety management program. Forwarder safety program will comply with applicable Federal, State and local statutes or requirements. Safety programs at the company-wide or terminal level may be subject to evaluation by DOD representatives. The Forwarder further agrees to permit unannounced safety inspections of its facilities, terminals, equipment, employees, and procedures by DOD civilian, military personnel, or DOD contract employees.

8. Reserved.

9. Equipment.

a. Forwarder agrees to ensure equipment is spotted for loading at the time and place requested. Civil Reserve Air Fleet (CRAF) carriers will be utilized to the maximum extent possible for the movement of DOD freight. The Government reserves the right to reject the utilization of any equipment placed for loading by the Forwarder if it does not, upon inspection meet the specifications and requirements for the particular shipment involved (sizes, cube, cleanliness, mechanical condition, etc.).

10. Shipment.

a. Further, the Forwarder agrees to not divulge any information to unauthorized persons concerning the nature and movement of any DOD shipment.

11. Documentation.

a. Forwarder agrees to accept GBLs and CBLs on which freight charges will be paid by the Government, and be bound by all terms stated thereon.

b. Forwarder agrees to comply with documentation prelodging procedures in effect at military terminals in which cargo is consigned for further movement overseas. (Prelodging is the submission of advance shipment documents that identify the shipments to the military terminals prior to arrival of the cargo at the terminal to permit preparation of the terminal documentation.) Instructions will be provided by the consignors to furnish certain data at least 24-hours in advance of cargo arrival at the terminal.

12. Loss and Damage.

a. The Forwarder agrees to be fully liable for delivery of all cargo in the same condition as received at origin, except loss or damage caused by an Act of God, public enemy act, omission of shipper, inherent vice or detrimental changes due to nature of commodity, or natural shrinkage. Forwarder agrees to settle promptly, claims for loss or damage. Forwarder also agrees to provide the status of any shipment tendered to them within 24-hours after an inquiry is made.

13. Standard Tender of Service.

a. The Forwarder agrees to comply with the preparation and filing instructions in applicable freight traffic rules publications issued by MTMC. Forwarder understands that MTMC will reject tenders not in compliance with these instructions.

b. The Forwarder agrees to publish a street address where the company office is located in lieu of post office box number. MTMC must be advised of any change in address. Failure to do so is grounds to discontinue use of the Forwarders.

c. Forwarder understands that tenders inadvertently accepted and distributed for use and not in compliance with this Agreement, the provisions contained in the Standard Tender of Freight Services MT Form 364-R, or the application of MTMC Freight Rules Publication, and supplements thereof, will be subject to immediate removal or non-use until corrections are made. The issuing Forwarder will be advised when tenders are removed under these circumstances.

14. Rates.

a. Forwarder agrees to transport Government shipments at the lowest effective charge named in the tender applicable on the commodity transported, whether or not the rate tender is referenced on the GBL.

b. The Forwarder agrees to publish through rates guaranteed for at least 30 days. The rates for movement of DOD cargo by air will be filed with the Air Mobility Command (AMC). The Forwarder must publish all rates, changes, and accessorial services on a DOD Standard Tender of Freight Services, MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

c. The Forwarder agrees to promptly refund all uncontested overcharges to the Government and authorizes the Government to deduct the amount of overcharges from any amount subsequently found to be due the Forwarder.

d. The Government reserves the right to pursue administrative claims directly with Forwarders under the Interstate Commerce Act (ICC) or other authorities.

15. Carrier Performance.

a. The Forwarder agrees that its equipment, performance, and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Regulation (DTR) and this Agreement. The Forwarder fully understands its obligation to remain current in its knowledge of service standards. The Forwarder accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the Forwarder for unsatisfactory service for any operating deficiency, noncompliance with terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates, charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs and tenders. Rules governing the Carrier Performance Program (CPP) are found in MTMC Regulation 15-1, and Army Regulations 55-355 DTMR. If a Forwarder is removed or disqualified for 6 months or more, it will have to be requalified.

b. Failure or nonperformance by the Forwarder with any of the terms or conditions of service will constitute a breach of this Agreement. The Government reserves the right to disqualify the Forwarder for unsatisfactory service until such time as the Forwarder establishes, to the satisfaction of DOD, that the operating or other deficiency(ies) have been corrected.

16. General Provisions. That the Forwarder must have a valid Standard Carrier Alpha Code (SCAC) and use it on all DOD billing documents to identify the Forwarder. When a company holding the appropriate authority has operating divisions each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of general commodities.

17. Terms of the Agreement.

a. The terms of this Agreement will be applicable to each shipment.

b. This Agreement shall be effective from the date of acknowledgment by MTMC, until terminated upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee, by the Government, of any volume of traffic.

d. The Forwarder agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and forwarder name. Forwarder understands that failure to notify MTMC shall be grounds for immediate revocation of the Forwarder's approval and their participation in the movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to Commander, MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTOP-QQ.

20. Forwarder Acknowledgment and Acceptance.

a. The undersigned forwarder official, by affixing signature hereto, states that he has read and understands the general and specific terms and conditions of service outlined and agrees to provide service in accordance with such terms or conditions. Any information found to be falsely represented in the Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities.

FORWARDER'S ACKNOWLEDGE/ ACCEPTANCE:

I, _____

_____,
(TYPED NAME AND TITLE OF CARRIER OFFICIAL)

verify under penalty of perjury, under the laws of the United States of America, that the information contained in the forwarder qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further, I understand the requirements of this Agreement and on behalf of:

(NAME OF FORWARDER, TYPED OR LEGIBLY PRINTED)

comply with the terms and conditions contained herein.

(SIGNATURE OF AGENT OFFICIAL AND TITLE)

Date:_____

Address:_____

Telephone Number:_____

24-Hr Emergency Number:

Military Traffic Management Command

Acknowledgment/Acceptance Signature and Title:

Date Approved:_____

Kenneth L. Denton
Army Federal Register Liaison Officer
(FR Do 93-19933 Filed 8-19-93; 8:45 a.m.)
Billing Cide 3710-06-9